

# U.S. BUSINESS OPPORTUNITY

## GUATEMALA NATIONAL AIRPORT SYSTEM MODERNIZATION

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### Promoting U.S. Exports, Supporting U.S. Jobs

Agencies across the U.S. government are partnering to help U.S. companies connect with buyers worldwide. Through a variety of resources, federal agencies can provide U.S. firms with the information and tools they need to compete for foreign contracts. From trade advocacy and export promotion efforts to matchmaker services and promoting the availability of export credits, federal agencies can support U.S. companies in selling their goods and services to the 95% of the world's consumers, who are located outside of the United States, by helping to create opportunities and to level the playing field.

**For more information on this project, possible financing options and export opportunities in Guatemala, contact:**

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### Overview

The focus of the Guatemalan National Airport System Modernization Project Feasibility Study is to identify, quantify, analyze, prioritize and recommend modern aviation and airport technologies at various Guatemalan airports and to identify and recommend new radar systems that will promote a safer and more efficient aviation environment.

### Project Description

Air traffic in Guatemala has continued to increase over the last five years and tourism numbers continue to climb. Passenger traffic and cargo flows are expected to continue to increase in the near future and Guatemala must prepare its national airport system to be able to accommodate the anticipated air traffic growth. Further, Guatemala's participation in Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) is expected to further increase air cargo operations in the country. Given Guatemala's strategic location in the region (closest to Mexico and the United States), Guatemalan government officials see the need to expand, improve, and modernize the country's airport system to accommodate the projected demand.

The objective of the feasibility study for the National Airport System Modernization Project is to analyze airport and aviation infrastructure improvement projects in Guatemala. Specifically, the study will focus on assessing infrastructure upgrades at the airports that serve Guatemala City, San José, and Puerto Barrios, as well as on expanding the national civil aviation radar system.

The feasibility study includes the development of a financial plan and model identifying how the Government of Guatemala (GoG) could finance the airport modernization project over a specific period of time. It will be important to present the airport modernization as a significant aviation safety enhancement project for many airports in Guatemala and for demonstrating the GoG's commitment to maintaining its International Aviation Safety Assessments Category 1 designation and improving aviation safety for the country and the region.

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### Status and Implementation

The DGAC conducted an airport master plan in 2004 and later updated the plan in 2007.

The airport master plan reviewed the different alternatives to accomplish the objectives of improving airport capacity and modernization with the purpose of enhancing safety and efficiency at several Guatemalan airports.

As a result of the completion of the modernization of airport facilities in Guatemala, DGAC officials envision a positive impact on the advancement of commercial trade in the region and further support for CAFTA-DR initiatives. An increase in economic productivity and transportation safety and efficiency will enhance competitiveness, air safety and air traffic management, while reducing energy consumption is also anticipated.

In addition, the DGAC wishes to address several operational and aviation safety deficiencies and to comply with current international aviation standards and regulations. The DGAC intends to utilize modern aviation and airport technologies to better integrate the operational and safety functions of the DGAC throughout Guatemala and to increase coordination and collaboration among the various airport facilities in the country, including general aviation, commercial aviation, and cargo operations.

### Project Cost and Financing

The feasibility study for the National Airport System Modernization Project will estimate the cost of the needed modernization and improvements in addition to identifying financing options. The study will look at the revenue streams generated by the airport system in Guatemala and determine how revenue is distributed within the Government of Guatemala, including the revenue share that the Grantee receives from the government.

The study will also investigate potential sources of financing for project implementation, including multilateral development banks, as well as private and commercial sources. At a minimum, the study will investigate the following potential sources: the Export-Import Bank of the United States, the Overseas Private Investment Corporation, the International Finance Corporation, the World Bank, the Inter-American Development Bank, the Central American Bank for Economic Integration, Corporación Centroamericana de Servicios de Navegación Aérea, and the Government of Guatemala.

Based on the results of the economic and financial analysis, the study will identify and formulate a financial plan for the project, including a project investment strategy for the Grantee. The study will also include a complete economic and financial analysis and financial plan to ensure that the study's recommendations and plans meet the requirements of the financial institutions.

### U.S. Competitiveness and Export Potential

The U.S. export potential for systems, equipment, and services is estimated to be nearly \$60 million. U.S. companies have the expertise to provide the services and technologies required by the Guatemala National Airport System Modernization Project.

The most likely U.S. exports include the following systems:

- Airfield lighting
- Airfield signage
- Approach landing lighting
- Communications
- Instrument landing
- Radio information
- Voice communication
- Automated weather
- VOR/DME
- PAPI
- NDB
- Air surveillance and radar